



Fiscal Recovery Plan

Board Meeting
February 4, 2021
Agenda Item No. 10.3

History/Background

- District's budget has been operating a structural deficit for several years due to on-going expenditures exceeding on-going revenues
- The District has managed the deficit with one-time sources and reserves – a non-sustainable plan as these resources will eventually be depleted
- The District is projected to experience serious cash challenges by March 2022 and will be at risk of an emergency apportionment (State Loan)

PROPOSED FISCAL RECOVERY PLAN

Items Subject to Negotiations

Negotiable Items and Potential Savings		
Item	Example	Potential Cost Savings
Health Benefits	Reduce District Contribution to Employee only/75% other	18,793,471
Dental & Vision Benefits	Reduce District Contribution to Employee only	3,132,000
Cash In-Lieu of Benefits	Assume 3% Participation	1,400,000
Other Contract Items	OPEB 1% Employee Contribution	2,000,000
Other Contract Items	Escalation factors	TBD
Furlough Day	Cost of 1 day, Districtwide	1,736,000
Cost of 1%	Cost of 1% Salary increase/decrease Districtwide	3,476,000

PROPOSED FISCAL RECOVERY PLAN

Final List of Proposed Items

Non-Negotiable Unrestricted General Fund Budget Reduction Options

Reduction Item	Potential Cost Savings
15% Centralized Supplies	455,000
Professional Development	108,000
Travel	90,000
Transportation - Non-Spec Ed (elim school closure route)	1,100,000
GATE (elim paying for IB & AP tests)	500,000
Elementary Sports	370,000
College & Career Visits	288,000
Site Discretionary Supplies (15% reduction)	275,000
Total Potential Cost Savings	\$3,186,000

PROPOSED FISCAL RECOVERY PLAN

Proposed Items With Alternative Funding Source

Non-Negotiable Unrestricted General Fund Budget Reduction Options
--

Reduction Item/Temporary Alternative Funding	Potential Cost Savings	Potential Alternative Funding Source
Social Workers	885,000	Temporary CARES Funding
Counselors above staffing ratio	235,000	Temporary CARES Funding
After School /Youth Development	500,000	Temporary CARES Funding
Total Potential Cost Savings	\$1,620,000	

PROPOSED FISCAL RECOVERY PLAN

Proposed Items Pending State Budget/Further Review by 7/1/21

Proposed Items Pending the State Budget/Further Review by 7/1/2021	Potential Cost Savings
Preschool Contribution (Unfunded portion)*	\$564,000

**Amount does not include the Preschool Parent Participation Program (PPPP), effective 7/1/20, a contribution for PPPP is not budgeted as the program is self-sustaining*

PROPOSED FISCAL RECOVERY PLAN

Proposed Items Potential Cost Savings: Reductions & Alternative Funding Source

Non-Negotiable Unrestricted General Fund Budget Reduction Options	
Total Potential Cost Savings Reductions	3,186,000
Total Potential Cost Savings Alternative Funding	1,620,000
Preschool Contribution (Unfunded portion)*	564,000
Total Potential Cost Savings	\$5,370,000
<p><i>*Amount does not include the Preschool Parent Participation Program (PPPP), effective 7/1/20, a contribution for PPPP is not budgeted as the program is self-sustaining</i></p>	

Background: Average Costs per Student

Factors Used:	
1. Unrestricted Funding	
2. School Site Staffing by FTE including:	
-Teachers	
-Administrators	
-Instructional Assistants	
-Custodial/Operations	
-Office Support	
3. Average salaries for all FTEs	
4. 2019-2020 enrollment	

Proposed Items Requiring Further Analysis for Elimination and/or Potential Restructure

Non-Negotiable Unrestricted General Fund Budget Reduction Options

Reference to 12/10/20 Plan	Reduction Item	Potential Cost Savings	School/Program Restructure
3	Rosa Parks: 2 FTE Office Techs, 1 FTE AP	353,000	Yes
3	John Still: 1.5 FTE Clerks, 1 FTE Operations, 5.8 Teachers	932,000	Yes
3	MLK: .2 FTE Teacher	25,000	Yes
3	LDV: 1.6 FTE Teachers	245,000	Yes
3	SES: 3 FTE Teachers	303,000	Yes
3	Kit Carsen (IB): 5 FTE Teachers	565,000	Yes
3	Caleb Greenwood (IB): 1 FTE Training Spec, .84 FTE EL IA	189,000	Yes
3	Health Professions: .25 FTE Clerk, .5 FTE Office Tech, 6.6 Teachers	743,000	Yes
3	Inclusive Practices (Reduce to base FTEs)	1,852,000	Yes
3	Charter Contribution (New Tech, GW Carver)	1,100,000	Yes
3	Waldorf (Reduce to base FTEs)	229,000	Yes
Total Potential Cost Savings Items School/Program Restructure		6,536,000	

Background: Average Cost per Student K-8 Schools

K-8 Schools

Due to low enrollment these schools require FTE above the base in order to fulfill educational requirements.

K-8 Schools*	2019-2020 Enrollment for K-8 Schools	Unrestricted Cost Per Student for K-8 Schools	Average Unrestricted Cost Per Student for K8 Schools	Difference in Cost per Student by Site	Total Average Additional Cost Based on 2019-2020 Enrollment
AM Winn	383	\$7,990	\$5,837	\$2,153	\$824,599
Alice Birney	532	\$6,181	\$5,837	\$344	\$183,008
Rosa Parks	794	\$6,032	\$5,837	\$195	\$154,830
John Still	952	\$6,503	\$5,837	\$666	\$634,032
MLK	406	\$7,348	\$5,837	\$1,511	\$613,466
LDV	868	\$6,075	\$5,837	\$238	\$206,584
Total Additional Cost K-8 Schools					\$2,616,519

* List represents only those K-8 schools that require additional FTE above the base.

Background: Average Cost per Student Elementary School

Elementary School					
Due to low enrollment, additional FTE above the base is required to support the IB Program.					
Elementary School IB Program	2019-2020 Enrollment	Unrestricted Cost Per Student by Site	Unrestricted Cost Per Student Average for Elementary Schools	Difference in Cost	Total Average Additional Cost Based on 2019- 2020 Enrollment
Caleb Greenwood	530	\$6,459	\$5,994	\$465	\$246,450
Total Additional Cost Elementary School					\$246,450

Background: Average Cost per Student 7-12 Schools

7-12 Schools					
Enrollment for 7-12 schools is about 50% of the average enrollment for high schools and about 50% of the average enrollment for middle schools					
7-12 Schools	2019-2020 Enrollment	Unrestricted Cost Per Student by Site	Unrestricted Cost Per Student Average for 7-12 Schools	Difference in Cost	Total Average Additional Cost Based on 2019-2020 Enrollment
SES 7 -12	538	\$7,058	\$6,326	\$732	\$393,816
Kit Carson 7-12	581	\$7,753	\$6,326	\$1,427	\$829,087
Total Additional Cost 7-12 Schools					\$1,222,903

Background: Average Cost per Student Small High School

			Small High School		
Enrollment for Health Professions is about 20% of the average enrollment for high schools					
	2019-2020 Enrollment	Unrestricted Cost Per Student by Site	Unrestricted Cost Per Student Average for High Schools	Difference in Cost	Total Average Additional Cost Based on 2019-2020 Enrollment
Small High School	216	\$10,045	\$6,972	\$3,073	\$663,768
Total Additional Cost Small High School					\$663,768

TOTAL ADDITIONAL COST SMALL SCHOOLS LISTED \$4,749,640

**UPDATED Projected Deficit – Adjusted ONLY for Governor’s Proposed
COLA, Unduplicated Percentage, & Projected Enrollment
(based on 2020-2021 1st Interim Financial Report)**

	2020-21 1st Interim	2021-22 Proj	2022-23 Proj
Beginning Fund Balance	93,048,611	62,569,699	24,335,902
Surplus/(Deficit) Spending	(31,150,477)	(38,905,362)	(56,072,127)
Ending Fund Balance	62,569,699	24,335,902	(31,064,661)
2% Reserve for Economic Uncertainty	12,765,701	11,291,803	11,480,966
Net Available Fund Balance after 2% REU	49,473,336	12,713,437	(42,876,289)
Deficit Spending as of 1st Interim Budget (from above)	(31,150,477)	(38,905,362)	(56,072,127)
<i>Adjust for UPP% @ 71.8%</i>	6,246,111	5,970,550	5,661,571
<i>Adjust for potential COLA +3.84% in 21-22</i>		15,475,765	15,373,574
<i>Adjust for potential COLA +1.28% in 22-23</i>			5,305,580
<i>Adjust for potential enrollment decline 600</i>			(3,817,970)
Revised Deficit Reduction Target	(24,904,366)	(17,459,047)	(33,549,372)

UPDATED Projected Deficit – Adjusted ONLY for Governor’s Proposed COLA, Unduplicated Percentage, Projected Enrollment & \$5.3M Fiscal Recovery Plan

(based on 2020-2021 1st Interim Financial Report)

Fiscal Recovery Plan Scenario \$5.3M On-Going Budget Reductions			
Sacramento City Unified School District	1st Interim 2020-21	2021-22 Projected	2022-23 Projected
Deficit Spending as of 2020-2021 1st Interim Financial Report	-\$31,150,477	-\$38,905,362	-\$56,072,127
Revised Deficit Reduction Target	-\$24,904,366	-\$17,459,047	-\$33,549,372
On-going budget reductions 2020-21		\$5,370,000	\$5,370,000
On-going budget reductions 2021-22			
On-going budget reductions 2022-23			
Cummulative On-Going Budget Reductions	\$0	\$5,370,000	\$5,370,000
Revised Surplus/(Deficit)	-\$24,904,366	-\$12,089,047	-\$28,179,372

Next Steps

If a Fiscal Recovery Plan is not implemented July 1 , 2021 the District is projected to experience serious cash issues by March 2022 and will be at risk of an emergency apportionment (State Loan).

- SCOEs fiscal responsibilities continue until structural deficit is eliminated and budget is approved

Approve a Fiscal Recovery Plan Effective 7/1/21